

NEW YORK EMPOWERMENT ZONE CORPORATION

Meeting of the Directors

Monday, March 29, 2021 - 100 P.M.

Audio Webcast (this meeting will be held remotely)

AGENDA

VICKI BEEN, CHAIR – CALL MEETING TO ORDER

I. CORPORATE ACTION

A. Authorization of Matters Recommended by Upper Manhattan Empowerment Zone Development Corporation (“UMEZ”)

1. CIF Coronavirus Aid Grants II – Authorization of \$650,000 grant in support to organizations to sustain their operations in a challenging and dynamic environment.
2. CIF Technical Assistance – Authorization of \$250,000 grant to recapitalized UMEZ ‘s arts and cultural organizations disrupted by the COVID-19 pandemic.

II. OTHER BUSINESS

VICKI BEEN – MOTION TO ADJOURN MEETING

FOR CONSIDERATION

March 29, 2021

TO: The Directors

FROM: Vicki Been

SUBJECT: New York (New York County) - Upper Manhattan Empowerment Zone Development Corporation

REQUEST FOR: **Request to a Grant to CIF Coronavirus Aid Fund II and to Take Related Actions.**

I. Initiative Summary

Organization Name: Upper Manhattan Empowerment Zone Development Corporation (“UMEZ”)
55 W 125th Street – 11th Floor
New York, New York 10027

Contact: Blair Duncan
President and CEO
(212) 410-0030

Proposed Initiative: A \$650,000 cultural aid fund.

Total Initiative Cost: \$650,000

Proposed Empowerment Zone (“EZ”) Investment: \$650,000 (Grant)

Funding Sources: Loan Repayment

Fiscal Year: 2021

II. Initiative Narrative

Attached are materials prepared by UMEZ for its Board of Directors containing narrative information regarding this initiative.

III. Conditions for Approval

Funding is subject to the Corporation's approval of UMEZ's monitoring system which must ensure that adequate policies and procedures are adopted to safeguard against misappropriation and provide for appropriate controls with respect to each grant.

The release of funds for this initiative is subject to certification by the Deputy Mayor's Office (i) that all procurement solicitation processes fulfill all applicable requirements set forth in the Operating Principles Memorandum of Understanding (the "MOU") dated as of January 19, 1996, and (ii) that each procurement selection process has been completed in accordance with those requirements.

The release of funds for this initiative is subject to UMEZ presenting to the Corporation for approval detailed written information on implementation of this initiative and the terms and conditions for the grant from UMEZ to **CIF Coronavirus Aid Fund II**. The provision of funding for this initiative is contingent upon the Corporation receiving satisfactory evidence of all other funding sources for the initiative.

The disposition of recovered grants is subject to the approval of New York Empowerment Zone Corporation's Board of Directors.

IV. Initiative Benchmarks

The initiative will achieve the following benchmarks:

- Assist 21 cultural organization maintain its operations throughout the COVID-19
- Retain jobs

This initiative will benefit EZ residents:

- Same as above

V. Federal Funding Goals

This initiative will meet the following Federal funding goals:

- Achieve or maintain economic self-support, to prevent, reduce, or eliminate dependency.
- Achieve or maintain self-sufficiency by reducing or preventing social dependency.

This initiative will meet the following Federal programmatic options:

- Permanent job creation, including without limiting the foregoing, promotion, encouragement and creation of opportunities for small, medium and large business development in the EZ/EC that will create permanent jobs for the Enterprise Zone.
- Increasing the number of permanent–job creating new businesses in the EZ/EC.
- Leveraging of Federal, State, and City EZ/EC funding and not-for-profit funding with private capital.

VI. Additional Materials

- A. Copy of UMEZ's Board of Directors' materials
- B. Copy of UMEZ's Board of Directors' resolution recommending this initiative for final approval by the Directors
- C. Resolution of the NYEZC Board of Directors

FOR CONSIDERATION

TO: New York Empowerment Zone Board of Directors

FROM: Blair M. Duncan, President and CEO
Upper Manhattan Empowerment Zone Development Corporation

DATE: March 29, 2021

SUBJECT: CIF Coronavirus Aid Grants

REQUEST: \$650,000 to Create a Cultural Aid Fund II for Upper Manhattan Cultural Organizations

PROPOSAL SUMMARY

CIF PROJECT MANAGER: Lindsey Crane

COMPANY: UMEZ for the benefit of Upper Manhattan cultural organizations

CONTACT: Lindsey Crane

ADDRESS: 55 West 125th Street, 11th Floor, New York, NY 10027

TELEPHONE/E-MAIL: 212-410-0030 / lcrane@umez.org

TYPE OF BUSINESS: Economic development corporation

TAX STRUCTURE: 501(c)(3)

TAX ID#: 13-3808669

DATE INCORPORATED: 1996

FINANCING REQUESTED: \$650,000

TIME FRAME: 16 months

FUNDING SOURCES: UMEZ Loan Repayments: \$ 650,000

EMPLOYMENT: To be determined on a case-by-case basis

I. SUMMARY OF INITIATIVE

As part of a continued effort to assist the cultural community adversely impacted by the pandemic and various governmental coronavirus declarations, the Cultural Investments team proposes a second limited-term Cultural Aid Fund (CAF II) in the amount of \$650,000. CAF II would provide support for up to twenty-one (21) organizations to sustain their operations in a challenging and dynamic environment. The proposed fund has been modified to heighten the impact of UMEZ's investment by taking into account the pattern of philanthropic relief funding, the scale of UMEZ fiscal capacity, and the historical inequities that impact much of the Upper Manhattan cultural community.

Sources:		Uses:	Totals:
UMEZ loan repayments	\$650,000.00	Core operations & digital communications by up to twenty-one (21) cultural organizations	\$650,000.00
Total project cost	\$650,000.00		\$650,000.00

II. DESCRIPTION OF INITIATIVE

BACKGROUND

With the onset of the coronavirus in March 2020, governmental pandemic declarations abruptly shut down all cultural programming, bringing earned revenues to a halt and ending all event-driven fundraising activities. Recognizing that the CIF investment strategy established in 2017 was not designed to meet the challenges of the pandemic, UMEZ created a limited-term Cultural Aid Fund (CAF) of \$500,000 to provide prompt and measured financial support to seventeen (17) cultural organizations previously funded by UMEZ, but not presently receiving direct funds from UMEZ. That eight-month program concluded on December 31, 2020; final reports are due on February 15, 2021.

Since March 2020, private foundations and government agencies have taken various paths in providing relief support, creating a dynamic and complex environment for the cultural industry:

- Museums have opened, but are limited to only 25% of usual visitorship, thus operating at a loss;
- Performance venues remain closed, with no clarity on when audiences will feel confident to return to an enclosed public gathering once vaccines become widely available;
- Performing arts organizations have not been allowed to operate outdoors, further stymying their ability to generate revenues or interface physically with audiences;
- Federal and State employment support programs such as the Payroll Protection Program, which allowed organizations to retain staff needed for critical administrative, marketing, development, security, and facilities maintenance, have only just been extended; and
- Despite the collaborative and singular relief funding campaigns from foundations at the outset, it’s not clear that those relief efforts will be continued at that scale.

With the Cultural Aid Fund coming to a close, CIF staff has made a fresh examination of the Upper Manhattan cultural community and the continued need for support under pandemic conditions. The restrictions described above continue to eliminate earned income from all performing arts groups, leaving large gaps in operating budgets. Museums have been allowed to have visitors, but only on a limited basis. The shift to working remotely has required equipment, training, and new protocols, not only to manage general operations but also to re-envision and re-establish programming online. Smaller organizations in particular have followed a long learning curve to migrate their program services to the internet, requiring exploration of and acquiring expertise in delivery platforms for everything from cultural activities to fundraising mechanisms. Overlying these concerns are the larger challenges of reduced budgets, the need to retain experienced staff, and the awareness that a final resolution to the shutdown is still far into the future and on an unpredictable timetable.

This Zone-wide cultural community includes twenty-eight (28) organizations (see Exhibit 1) that have previously received a UMEZ grant or have had discussions with CIF staff regarding a possible grant, and who meet the basic eligibility requirements for CIF support, grouped as follows:

1. Four (4) currently have a Capacity Grant and thus have UMEZ support in hand;
2. Seventeen (17) received a grant through the earlier CAF initiative;

3. Two (2) have completed the Capacity Grants they held when the first CAF grants were made and are not currently receiving UMEZ support;
4. One (1) received support for a capital project in the mid-2000s but only resumed programming two years ago; and
5. Four (4) well-known groups have been in conversation with staff, primarily regarding a Technical Assistance grant, but have not completed an application process for various reasons, such as the need to resolve an intermediate issue, accomplish required filing of reports, or gather information to clarify the intended scope of the request. The CIF team advised them to complete those efforts in order to present a clear and strong request for support when the time was right.

Four organizations in Upper Manhattan have recently received extraordinary multi-year grants through the following programs:

- Ford Foundation named twenty organizations nationwide as “America’s Cultural Treasures,” accompanied by grants of \$1 to \$6 million. Among them, the Apollo Theater, The Studio Museum in Harlem, Dance Theatre of Harlem, and El Museo del Barrio have received grants of \$4 to \$6 million through this program.
- The Mellon Foundation awarded a special \$4 million grant to the Dance Theatre of Harlem for Artistic Initiatives and Capacity Building.
- The Mellon Foundation awarded The Studio Museum in Harlem and El Museo del Barrio grants of \$1.5 million and \$600,000, respectively, through an emergency relief program, the Art Museum Futures Fund.

In seeking the greatest impact for UMEZ funds within this complex environment, a second relief initiative must take into account these substantial multi-year awards. The Apollo Theater is a current UMEZ grantee and thus already ineligible for funding through the CAF II program. The Studio Museum in Harlem, Dance Theatre of Harlem, and El Museo del Barrio would also be excluded from the proposed CAF II program in order to maximize the impact for other CAF II recipients.

With that in mind, this initiative proposes to address the remaining 21 organizations, which include the two groups that were ineligible for the original CAF program (Morris-Jumel Mansion and Sugar Hill Children’s Museum) and the five new entities described above, as the focal point for this investment, which is detailed below. To broaden the options available for support, those 21 organizations will be able to apply for either a Technical Assistance grant or to the CAF II program. CIF staff will conduct appropriate due diligence on the new organizations in groups 4 and 5 to ensure their eligibility.

The proposed CAF II initiative and Technical Assistance Grant program would run in tandem with continued support for the UMEZ Arts Engagement program, administered by the Lower Manhattan Cultural Council, which has supported 92 artists, collectives, and small- to mid-sized organizations over the past three years. A proposal to continue funding for this program will be sent to the CIF Committee in April.

The four current grantees (Apollo Theater, Firelight Media, Hi-ARTS, and Museum of the City of New York) have been given the flexibility necessary to operate in the current environment while maintaining the intent of the grant. Examples include adjusting the disbursement schedule, extending the length of the grant, and shifting program activity and new hires to a later date.

DESCRIPTION OF PROJECT

UMEZ requests \$650,000 to create a limited-term UMEZ Cultural Aid Fund II to support up to twenty-one (21) cultural organizations that are not currently receiving direct funds from UMEZ but meet basic CIF eligibility requirements. The grant term would begin January 1, 2021 and conclude April 30, 2022.

CAF II would use the grant structure created for the original CAF initiative in April 2020, which allows for a prompt and efficient execution. That structure is based on fundamental practices of UMEZ investments within the current environment:

- Build upon prior investments;
- Ensure equitable disbursement of funds; and
- Recognize UMEZ's capacity, which allows UMEZ to provide localized support as part of a national response.

Grant Structure

Operational considerations would continue to guide program structure and execution, updated to accommodate the longer grant period:

- Grant amounts would range from \$10,000 to \$50,000, using a curve to provide proportionately larger grants to the smaller organizations. This will allow for a meaningful grant amount in relation to recipients' operating budgets, while recognizing the greater challenge facing those with less staff and resources.
- The expense period of the grants would begin January 1, 2021 and end no later than December 31, 2021. Grant length will range from six months to one year; most grantees are expected to select twelve months as their grant term.
- Organizations would again select the length of their grant.
 - For a grant expense period of six months, all funds would again be disbursed at the beginning of the grant.
 - For a grant expense period greater than six months, funds would be given in two installments: one-half at grant execution and one-half based on a report on the first six months of the grant, due in August.
- The application would be by invitation only and handled entirely through Submittable, UMEZ's online grants management platform.
- Use of the newly-created expedited application, review, and approval processes would reduce the administrative time demanded of both applicant organizations and the UMEZ staff;
- Organizations would have flexibility in selecting the use of funds within the guidelines (see below); and
- Reporting requirements would include a statement of how funds were used, with supporting documentation to be provided according to the use of funds. It would also ask for a statement on the impact of the relief funds on the organization. CIF staff will gather additional information during the grant period as needed to inform strategy modifications.

Use of Funds

In October, the CIF staff conducted an Impact Survey of recent grantees to provide an updated snapshot of organizations' needs. A key question asked what expenses were most critical to their continued operation in 2021. Selecting the five most important from a list of ten, with an option for "other," the respondents' priorities were as follows: personnel (92%), insurance (62%), rent (54%), programming (54%), consultants with specific expertise (46%), personnel benefits (46%), hardware/software technology (31%), and marketing/social media (31%).

UMEZ does not fund programming per se; however, the technology and digital expertise and expense required to deliver on-line programming was specifically allowed in the earlier CAF initiative. Grantees would also continue to be able to use funds for the core administrative expenses listed above. The provision against double-funding expenses with governmental relief support would remain in place.

The project flexibility accorded to recipients of this program will ensure their ability to sustain operations throughout the grant period as each responds to the anticipated rapid changes in governmental restrictions, vaccine availability, reopening of public spaces, modifications to funder support, reductions in government funding, and other environmental variables. CIF staff will be in communication with grantees throughout the grant period to learn about how they are responding to the opportunities and challenges that arise.

Selection of Eligible Recipients

Grants would be made through an invitation-only process to a specified pool of up to twenty-one (21) recipients, selected to optimize the impact of UMEZ support and help sustain all eligible CIF grant recipients not currently receiving UMEZ support through the calendar year.

JOB RETENTION

- At a time when nonprofits are struggling to maintain previous levels of employment, no new jobs are anticipated through this initiative. However, job retention is likely, and is vital to sustaining these organizations during the pandemic.

PROJECTED OUTCOMES

- Cultural organizations would be able to sustain operations throughout a challenging period characterized by a rapidly evolving environment.
- Organizations will continue to connect to and interact with audiences digitally and in person, when applicable.
- CIF staff will continue to gather information throughout the grant period on the impact of the pandemic on Upper Manhattan’s cultural community. This information will be essential in determining subsequent strategy modifications.

III. FINANCING REQUESTED

Sources:		Uses:	Totals:
UMEZ loan repayments	\$650,000.00	Core operations & digital communications by up to twenty-one (21) cultural organizations	\$650,000.00
Total project cost	\$650,000.00		\$650,000.00

IV. LIST ANY PRIOR UMEZ FUNDING AND/OR PRIOR APPLICATIONS

The UMEZ Cultural Aid Fund was launched in April 2020, providing \$500,000 to seventeen (17) organizations over an eight-month period.

V. INDICATE HOW THE PROPOSAL MEETS THE EZ INVESTMENT CRITERIA

A. Impact

- a. This support serves to reinforce UMEZ’s prior investments to the organizations that do not currently have a direct grant with UMEZ, but who have been adversely affected by the pandemic and governmental regulations.
- b. This initiative would appropriately broaden UMEZ’s reach throughout the Upper Manhattan cultural community.
- c. The proposed fund would continue to assist organizations in maintaining core operations, essential to their long-term survival through the COVID-19 crisis.
- d. The proposed fund would infuse additional cash into Upper Manhattan’s creative economy.
- e. In narrowing the eligibility pool to exclude recipients of recent major multi-year grants, these funds would address those organizations with relative lack of access to private philanthropy, 90% of whom are led by individuals of color.

B. Feasibility

- a. UMEZ staff has existing relationships with all organizations eligible for participation in this fund.
- b. UMEZ staff has developed efficient and effective processes to execute this limited-term initiative.
- c. UMEZ would use its online grant management platform, Submittable, to provide a user-friendly application and reporting process.

C. Strengths

- a. This program would continue to provide UMEZ with a base of information to monitor the impact of the COVID-19 pandemic on Upper Manhattan cultural organizations.
- b. UMEZ would be able to maintain strong relationships throughout the cultural community and monitor progress by all cultural organizations.
- c. UMEZ would continue to respond locally to what remains a long-term threat to the national cultural economy.
- d. Recognizing that a recovery from the pandemic will be ongoing, this response is appropriately scaled.
- e. This proposal establishes the level of cultural investment funding appropriate for UMEZ over a discrete period, leaving future investment decisions to be made when there is more clarity on the reestablishment of cultural activity.

D. Risks

- a. Messaging for this initiative must be clear and consistent, so that organizations understand that this program is not indicative of future grantmaking strategy.
- b. The long-term impact of the pandemic is still unknown, and plans to reopen may face audience reluctance to gather in large groups in an enclosed environment for years to come.
- c. Future support for cultural organizations from the public and private sector could be adversely impacted for years, as funding priorities may change and available funds may have been depleted by their initial response to the crisis.
- d. Some organizations may not survive.

VI. RECOMMENDATION

UMEZ Grant Amount: Up to \$650,000

Term: 16 months

Conditions: None

**RESOLUTION OF THE BOARD OF DIRECTORS OF
UPPER MANHATTAN EMPOWERMENT ZONE
DEVELOPMENT CORPORATION**

**REGARDING APPROVAL TO FUND A
CULTURAL INVESTMENT FUND PROGRAM**

AT A BUSINESS MEETING HELD ON THE 24th DAY OF FEBRUARY 2021

WHEREAS, the Cultural Investment Fund (“CIF”) Committee has reviewed the materials presented to it, a copy of which has been filed with the records of the Upper Manhattan Empowerment Zone Development Corporation (“UMEZ”), relating to the establishment of the UMEZ Cultural Aid Fund II, an initiative facilitated through an investment of up to SIX HUNDRED FIFTY THOUSAND DOLLARS (\$650,000) to provide economic relief to cultural organizations in the Upper Manhattan community previously funded by UMEZ (the “Initiative”); and

WHEREAS, the CIF Committee has found it to be a desirable initiative, consistent with the New York Empowerment Zone’s Strategic Plan, and the investment criteria for initiatives seeking financial support.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors approves the Initiative and authorizes UMEZ to submit the CIF Initiative to the New York Empowerment Zone Corporation for authorization to fund an investment not to exceed SIX HUNDRED FIFTY THOUSAND DOLLARS (\$650,000), subject to terms and conditions substantially similar to those included in the presentation materials; and be it

FURTHER RESOLVED, that the President and CEO or his/her respective designees, are hereby authorized on behalf of UMEZ to make such changes to the terms and conditions of the transaction as may be appropriate, execute and deliver any and all documents and take any and all actions as they may deem necessary or proper to effectuate the foregoing resolutions.

March 29, 2021

UPPER MANHATTAN EMPOWERMENT ZONE DEVELOPMENT CORPORATION – Request to a grant to CIF Coronavirus Aid II – A \$650,000 cultural aid fund.

RESOLVED, that on the basis of the materials (the “Materials”) presented to the Directors of the Corporation, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Upper Manhattan Empowerment Zone Development Corporation (“UMEZ”) initiative to a grant to **CIF Coronavirus Aid Fund II** (the “Initiative”), a cultural aid fund. The Corporation is hereby authorized to disburse to UMEZ an amount not to exceed **SIX HUNDRED FIFTY THOUSAND DOLLARS (\$650,000)** for the purposes and on the terms and conditions described in the Materials; and in accordance with the terms, conditions and procedures set forth in the Operating Principles Memorandum of Understanding, dated as of January 19, 1996, entered into by the Corporation with the State of New York (the “State”), the City of New York (the “City”) and others (“MOU”); and be it further

RESOLVED, that for the purpose of providing the funds, the Corporation is hereby authorized to accept and utilize funds for a grant an amount not to exceed **SIX HUNDRED FIFTY THOUSAND DOLLARS (\$650,000)** in accordance with the MOU; and be it further

RESOLVED, that the President and Treasurer, or their respective designee(s), acting jointly are hereby authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take any and all actions as they may deem necessary or proper to effectuate the foregoing resolutions.

FOR CONSIDERATION

March 29, 2021

TO: The Directors

FROM: Vicki Been

SUBJECT: New York (New York County) - Upper Manhattan Empowerment Zone Development Corporation

REQUEST FOR: **Authorization for Grant for UMEZ Cultural Investment Fund - Technical Assistance Fund and to Take Related Actions.**

I. Initiative Summary

Organization Name: Upper Manhattan Empowerment Zone Development Corporation (“UMEZ”)
55 West 125th Street
New York, NY 10027

Contact: Blair Duncan
President and CEO
(212) 410-0030

Proposed Initiative: A \$250,000 grant to re-capitalize the Technical Assistance Fund under Cultural Investment Fund.

Total Initiative Cost: \$250,000

Proposed Empowerment Zone (“EZ”) Investment: \$250,000 (Grant)

Funding Sources: Loan Repayment

Fiscal Year: 2021

II. Initiative Narrative

Attached are materials prepared by UMEZ for its Board of Directors containing narrative information regarding this initiative.

III. Conditions for Approval

Funding is subject to the Corporation's approval of UMEZ's monitoring system, which must ensure that adequate policies and procedures are adopted to safeguard against misappropriation and provide for appropriate controls with respect to each grant.

The release of funds for this initiative is subject to certification by the Deputy Mayor's Office (i) that all procurement solicitation processes fulfill all applicable requirements set forth in the Operating Principles Memorandum of Understanding (the "MOU") dated as of January 19, 1996, and (ii) that each procurement selection process has been completed in accordance with those requirements.

The release of funds for this initiative is subject to UMEZ presenting to the Corporation for approval detailed written information on implementation of this initiative and the terms and conditions for the grant from **UMEZ to Cultural Investment Fund – Technical Assistance Fund**. The provision of funding for this initiative is contingent upon the Corporation receiving satisfactory evidence of all other funding sources for the initiative.

The disposition of recovered grants is subject to the approval of New York Empowerment Zone Corporation's Board of Directors.

IV. Initiative Benchmarks

The initiative will achieve the following benchmarks:

- Continue to support UM local arts & cultural organizations that have been disrupted business operations by the covid-19 pandemic.

This initiative will benefit EZ residents:

- Same as above

V. Federal Funding Goals

This initiative will meet the following Federal funding goals:

- Achieve or maintain economic self-support, to prevent, reduce, or eliminate dependency.
- Achieve or maintain self-sufficiency by reducing or preventing social dependency.

This initiative will meet the following Federal programmatic options:

- Permanent job creation, including without limiting the foregoing, promotion, encouragement and creation of opportunities for small, medium and large business development in the EZ/EC that will create permanent jobs for the Enterprise Zone.
- Increasing the number of permanent –job creating new businesses in the EZ/EC.
- Leveraging of Federal, State, and City EZ/EC funding and not-for-profit funding with private capital.

VII. Additional Materials

- A. Copy of UMEZ's Board of Directors' materials
- B. Copy of UMEZ's Board of Directors' resolution recommending this initiative for final approval by the Directors
- C. Resolution of the Directors

FOR CONSIDERATION

TO: New York Empowerment Zone Board of Directors

**FROM: Blair M. Duncan, President and CEO
Upper Manhattan Empowerment Zone Development Corporation**

DATE: March 29, 2021

SUBJECT: Technical Assistance Fund

REQUEST: \$250,000 to Recapitalize the Technical Assistance Fund

PROPOSAL SUMMARY

PROJECT MANAGER: Verdery Roosevelt

COMPANY: Upper Manhattan Empowerment Zone Development Corporation

CONTACT: Verdery Roosevelt

ADDRESS: 55 West 125th Street, New York, NY 10027

CONTACT INFORMATION: 212-410-0030 x 209 / vroosevelt@umez.org

TYPE OF BUSINESS: Nonprofit

TAX STRUCTURE: 501(c)(3)

EIN: 13-3808669

DATE INCORPORATED: 1995

SCOPE OF WORK: Economic development

TOTAL PROJECT COST: \$250,000

FINANCING REQUESTED: \$250,000

FUNDING SOURCES: UMEZ Loan Repayments: \$250,000

TIMEFRAME: Variable based on grantee

EMPLOYMENT: Not Applicable

I. SUMMARY OF INITIATIVE

The Cultural Investments team seeks approval for funding in the amount of \$250,000 to recapitalize the Cultural Investments Fund (CIF) Technical Assistance (TA) fund. This approval would replenish the pool of funds available for UMEZ, to provide technical assistance awards to UMEZ’s arts and cultural constituents in the Upper Manhattan communities of Central, West, and East Harlem; Washington Heights; and Inwood. The current balance in the Technical Assistance Fund is \$16,098. The TA grant program will be a much-needed asset to the uptown cultural community as organizations explore ways to adapt their business operations that have been disrupted by the COVID-19 pandemic.

Sources		Uses	
UMEZ	\$ 250,000.00	Consultants	\$ 250,000.00
Totals	\$ 250,000.00		\$ 250,000.00

II. DESCRIPTION OF INITIATIVE

The Technical Assistance program has proven to be a critical component of the CIF grant-making structure. Funding has supported a wide variety of technical assistance projects in the form of feasibility studies, strategic planning, business plan development, organizational development, board development, marketing planning, and organizational assessments.

Organizations have benefited by gaining access to experienced management consultants who could identify and leverage organizational strengths and mitigate weaknesses, using the impartiality of outside guidance.

UMEZ has benefited as well, as some consultancies reveal material organizational shortcomings that could either severely compromise or completely prevent an organization from achieving proposed project outcomes. Armed with this information, UMEZ staff is better positioned to objectively analyze whether further investment is consistent with UMEZ’s mission and strategies.

Consultancies have often resulted in an organization’s application for a multi-year capacity-building grant from UMEZ, laying the foundation for a period of steady growth. The information gained through Technical Assistance has foreshortened the extensive review and approval process required to prepare recommendations for direct investment, thereby enabling UMEZ to provide relatively timely responses to applicants. The resulting plan has often served to leverage support from other funders as well, providing a sound structure for future grant requests and acting as a challenge to accomplish the identified solutions found through the planning process.

Finally, given the nature of the COVID-19 pandemic, the subsequent governmental regulations, and their unprecedented impact on the arts and culture sector, the TA program promises to take on greater importance as many organizations consider changes to their business models and react to the potential shifts in the fundraising landscape.

Technical Assistance Grant Approval Process

The CIF Committee is authorized to approve Technical Assistance grants of up to \$50,000 on behalf of the full UMEZ Board of Directors.

The review and approval process for a Technical Assistance award of up to \$50,000 is as follows:

- CIF Staff (Staff) reviews an organization’s letter of inquiry to determine basic eligibility (i.e. budget size, 501(c)(3) status, location, and programming), the stated need, and project alignment with CIF strategies.
- If the basic criteria are met, a meeting between Staff and the applicant is scheduled to further discuss the organization and specific request.
- Staff then determines whether to extend an invitation to the organization to submit a formal proposal through Submittable, UMEZ’s online grants management platform, or to decline the request.
- Using industry standards for sound grant making and best practices, additional review and diligence is conducted until the CIF Committee memorandum, inclusive of all pertinent documentation, is finalized.
- CIF Committee members review the complete memorandum and convene to discuss the proposal. Clarifying questions are posed and all concerns are addressed by the Staff until the proposal is approved.
- Once the memorandum is accepted, the Committee members convene to meet in person with the executive staff and board members representing the applicant organization. A final vote to approve the request by the Committee is taken after the interview.
- If the proposal is approved, the CIF Committee then reports the approval to the UMEZ and NYEZ Boards of Directors for informational purposes.

The current balance for this fund is \$16,098. This request is for \$250,000 to replenish the fund in the anticipation of new applications to the program, particularly in light of challenges that the COVID-19 pandemic has wrought on the cultural sector.

PROJECTED OUTCOMES

The approval of the proposed Technical Assistance Fund replenishment will enable UMEZ to continue to assist local Upper Manhattan cultural organizations in becoming more self-sustainable and preparing for potentially larger investments from UMEZ and/or other funders.

III. FINANCING REQUESTED

Funding Sources

Sources	Total
UMEZ Loan Repayments	\$ 250,000.00
Total UMEZ Sources	\$ 250,000.00
Total Project Cost	\$ 250,000.00

Project Budget

Sources		Uses	
UMEZ	\$ 250,000.00	3 x \$50,000	\$ 150,000.00
		2x \$35,000	70,000.00
		1 x \$30,000	30,000.00
Total *	\$ 250,000.00		\$ 250,000.00

*This amount does not include the remaining balance of \$16,098 from the current Technical Assistance Fund balance and is for illustrative purposes only.

LIST ANY PRIOR UMEZ FUNDING AND/OR PRIOR APPLICATIONS

March 11, 2005 – approval of \$800,000 to establish the Technical Assistance Fund

November 3, 2006 – approval of \$600,000 to replenish the Fund

May 6, 2010 – approval of \$250,000 to replenish the Fund

October 24, 2017 – approval of \$120,000 to replenish the Fund

INDICATE HOW THE PROPOSAL MEETS THE EZ INVESTMENT CRITERIA

A. Impact

- Organizations gain access to experienced management consultants who provide expertise across a wide range of topics and can assist the organization with objectivity.
- The Technical Assistance program has proven to yield positive results for the beneficiary organizations in garnering additional support from UMEZ and other funders.
- In an uncertain time when organizations must prepare to reestablish in-person programming, consultant expertise would help them adapt their operations to meet the challenges caused by the COVID-19 closings.

B. Feasibility

- UMEZ is diversifying its working relationship with numerous consultants whose practice includes the range of organizations represented in and outside the UMEZ catchment area.

C. Strengths

- The applicant organization is allowed to self-identify the issue to be addressed; UMEZ staff is positioned to guide the organization in determining if there is a more deeply rooted cause.
- A Technical Assistance grant may prepare the recipient to apply for further funding from UMEZ and/or other funding sources.
- Consultants are knowledgeable about UMEZ grant programs and understand the potential value of the consultancy in an application for further support.

D. Risks

- CIF staff must monitor the consultancy throughout to ensure that the organization and consultant are working together in a way that will result in a clear and strong outcome.
- The COVID-19 pandemic and the subsequent impacts on the cultural sector may result in more consultancies than envisioned in this request.

IV. FINANCIALS

Not applicable

V. RECOMMENDATION

UMEZ Grant Amount: Up to \$250,000

Term: N/A

Conditions: N/A

**RESOLUTION OF
THE BOARD OF DIRECTORS OF
UPPER MANHATTAN EMPOWERMENT ZONE DEVELOPMENT
CORPORATION**

**REGARDING APPROVAL OF CULTURAL INVESTMENT FUND COMMITTEE
TO RECAPITLIZE TECHNICAL ASSISTANCE BUDGET**

AT A BUSINESS MEETING HELD ON THE 24th DAY OF FEBRUARY 2021

WHEREAS, the Cultural Investment Fund (“CIF”) Committee has reviewed the materials presented to it, a copy of which has been filed with the records of the Upper Manhattan Empowerment Zone Development Corporation (“UMEZ”), relating to the recapitalization of the Technical Assistance Budget;

NOW THEREFORE, BE IT RESOLVED, that that on the basis of the materials presented to the Board of Directors of UMEZ, a copy of which has been filed with the records of UMEZ, the Directors authorize the Technical Assistance Fund Budget recapitalization in the amount of TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000), for technical assistance awards; and be it

FURTHER RESOLVED, that the President and CEO or his/her respective designees, are hereby authorized on behalf of UMEZ to execute and deliver any and all documents and take any and all actions as they may deem necessary or proper to effectuate the foregoing resolutions.

March 29, 2021

UPPER MANHATTAN EMPOWERMENT ZONE DEVELOPMENT CORPORATION – Cultural Investment Fund - Technical Assistance Fund – a \$250,000 grant to re-capitalize the Technical Assistance Fund.

RESOLVED, that on the basis of the materials (the “Materials”) presented to the Directors of the Corporation, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Upper Manhattan Empowerment Zone Development Corporation (“UMEZ”) initiative for a grant for the UMEZ CIIF Fund (the “Initiative”) to re-capitalize the **Technical Assistance Fund under Cultural Investment Fund**. The Corporation is hereby authorized to disburse to UMEZ an amount not to exceed **TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000)** for the purposes and on the terms and conditions described in the Materials; and in accordance with the terms, conditions and procedures set forth in the Operating Principles Memorandum of Understanding, dated as of January 19, 1996, entered into by the Corporation with the State of New York (the “State”), the City of New York (the “City”) and others (“MOU”); and be it further

RESOLVED, that for the purpose of providing the funds, the Corporation is hereby authorized to accept and utilize funds for a grant an amount not to exceed **TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000)** in accordance with the MOU; and be it further

RESOLVED, that the President and Treasurer, or their respective designee(s), acting jointly are hereby authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take any and all actions as they may deem necessary or proper to effectuate in foregoing resolutions.
